

Fishman Haygood LLP
201 St. Charles Avenue, Suite 4600
New Orleans, LA 70170
fishmanhaygood.com

Alysson L. Mills
(504) 586-5253 Direct
amills@fishmanhaygood.com

August 29, 2018

VIA CM/ECF SYSTEM

Honorable Carlton Reeves
United States District Court Judge
Southern District of Mississippi
501 East Court Street, Suite 5.500
Jackson, Mississippi 39201

Re: *Securities & Exchange Commission vs. Arthur Lamar Adams, et al.*,
No. 3:18-cv-252 (S.D. Miss)

Dear Judge Reeves,

On August 21, 2018, I filed my first report as receiver in this case. The report advised that a member of KAPA Breeze, LLC had been paying himself out of the LLC's account, in direct violation of the Court's order unfreezing the account so that it could be used in the ordinary course of business. [Doc. 36 at 16]

On August 24, 2018, the Court entered an Order Regarding Contempt Hearing that requests that I advise by August 29, 2019, "whether the member of KAPA Breeze has repaid the funds in question." [Doc. 39] Yesterday I received confirmation that the \$18,000 in question has been repaid. An evidentiary hearing to consider whether the member ought to be held in civil contempt will not be necessary at this time.

I have taken this opportunity to update my first report with this new information and also to correct errors that have been brought to my attention. These errors include the sentencing date (it is October 29 not October 21) and the amounts held in two bank accounts (the amounts held in the First Bank of Clarksdale and River Hills Bank accounts should be swapped). These errors were typos only and do not substantively change anything in the report. I do not believe they require any action of the Court.

Respectfully,

Alysson L. Mills